That equity will compel a corporation to declare dividends where there is a sufficient surplus above the necessities of the corporate business and when such distribution of profits has been unnecessarily and unreasonably withheld. *Blanchard* v. *Prudential Ins. Co. of America* (1911), — N. J. Eq. —, 79 Atl. 533.

This is an exceedingly close decision, and on one hypothesis alone can it be reconciled with the law on this subject established by American decisions. The declaration of corporate dividends, according to the great weight of authority, is within the sound discretion of the directors of the corporation, and a court of equity will not interfere, unless it appears that the directors are abusing their discretion and arbitrarily or fraudulently refusing to declare dividends. 10 CYC. 548 and cases there cited; 5 THOMPSON CORP., Ed. 2, § 5294. Directors may, it is true, be compelled to declare a dividend where the profits are ample, and where they refuse to declare a dividend, acting in good faith, but without reasonable cause. *Hiscock* v. *Lacy,* 9 Misc. (N. Y.) 578, 30 N. Y. Supp. 860; 5 THOMPSON CORP., Ed. 2, § 5295. The power of directors in this regard, however, is absolute and not subject to judicial revision where it appears that they are withholding a dividend in the exercise of honest judgment and for *reasonable cause. Stevens* v. *U. S. Steel Corp.* 68 N. J. Eq. 373, 59 Atl. 905; *Park* v. *Grant Locomotive Works,* 40 N. J. Eq. 114, 3 Atl. 162; *Zellerbach* v. *Allenberg,* 99 Cal. 57, 33 Pac. 786; *Pratt* v. *Pratt,* 33 Conn. 446; *Robertson* v. *Bucklen,* 107 Ill. App. 369; *Marouse* v. *Gillett Mfg. Co.,* 52 La. Ann., 1383, 27 South. 846; *People ex rel. United Verde Copper Co.* v. *Roberts,* 156 N. Y. 585, 51 N. E. 293; *Bond* v. *Barrow Haematite Steel Co.,* 71 L. J. Ch. 246. Thus the directors of a corporation, *for reasonable cause,* may reserve a large surplus to improve and extend the corporate business or to meet contingent liabilities. *Park* v. *Grant Locomotive Works,* supra. The court in the principal case, however, considered that the so-called "contingency surplus" of the defendant corporation was accumulated for no reasonable cause. In the words of the court, said contingency fund "provided for the remotest contingent liability that the most lively imagination can conceive of." On the hypothesis that the contingency contemplated by the directors was absolutely groundless and unreasonable, the opinion of the court can be understood; but it must be apparent that only a very strong case will justify judicial interference with the discretion of directors in refusing to declare dividends on corporate stock.

CORPORATIONS—STOCKHOLDER'S RIGHT TO EXAMINE BOOKS—MOTIVE.—Mandamus by the People, on the relation of Abraham Lehman, a stockholder in defendant corporation, to compel defendant to permit the relator to examine its books, papers, documents, and records, and to take extracts therefrom. Defendant submitted affidavits charging that the motive of the relator was to obtain information to furnish to the president of a competing company, as to the defendant's contracts, prices and methods of doing business. From an order directing the issuance of a peremptory writ of mandamus, defendant appealed to the Appellate Division, which *Held,* that an examination of corporate books by a stockholder will not be permitted for an ulterior pur-

pose or to embarrass the corporation. *People ex rel. Lehman* v. *Consol. Fire Alarm Co.* (1911), 127 N. Y. Supp. 348.

The stockholders in a corporation have a common law right, incident to the ownership of stock, to inspect the books and papers of the corporation when the inspection is sought at proper times and for proper purposes. 4 THOMPSON CORP., Ed. 2, § 4515. Under the common law, the motive of the stockholder is a material consideration, and inspection of the corporate books can be compelled only where the stockholder acts uberrima fide. 10 CYC. 955, and cases there cited. Where the right to inspect is conferred in absolute terms by statute, however, the rule as to motive is quite different. It is held by the great weight of American authority that where the right to inspect books and records is statutory, the motive of the stockholder in making the demand for inspection is immaterial, so long as it is not unlawful. 4 THOMPSON CORP., Ed. 2, § 4516; 10 CYC. 956 and cases there cited. The principal case is one in which the general business books of the corporation were sought to be inspected, and as the right to inspect books of this character is of common law origin, the petition was properly denied. For illustrations of the rule regarding the statutory right to inspect corporate books and records, see *People* v. *Keesville, etc., R. Co.* 106 App. Div. 349, 94 N. Y. Supp. 555; *In re Steinway,* 159 N. Y. 250, 53 N. E. 1103, 45 L. R. A. 461. For discussion of the effect of a corporate by-law, see 8 MICH. L. REV. 224.

EASEMENTS—GRANTS FOR PIPE LINES—RIGHTS ACQUIRED—TELEPHONE LINE.—A city purchased from private land-owners the right to construct and maintain a pipe line for the distance of forty miles, in order to supply the inhabitants of the city with water. The city built an overhead telephone line, claiming that it was necessary for the proper repair, maintenance, and operation of the pipe line. Suit by the city to enjoin the landowner from interfering with the telephone line. *Held,* the uses and purposes for which the way is granted included doing any work which may be necessary for maintaining, repairing, and operating the pipe line, which includes the maintenance of a telephone line, if the same is necessary or convenient for the proper or prompt repair, maintenance or operation of the line. *City of Portland* v. *Metzger* (1911), — Ore. —, 114 Pac. 106.

The only cases cited by the court in support of the above proposition are three telegraph cases, holding that a line of telegraph on a railroad right of way is not an addiional burden upon the easement, if the line is constructed for the use of the railroad company in the operation of its road and dispatch of its business. *Western Union Tel. Co.* v. *Rich,* 19 Kan. 517, 27 Am. Rep. 159; *Am. Tel. Co.* v. *Pearce* [*Smith*], 71 Md. 535, 18 Atl. 910, 7 L. R. A. 200; *Hodges* v. *Tel. Co.,* 133 N. C. 225, 45 S. E. 572; LEWIS EM. DOM. 141. The difference between the cases of the telegraph companies and the principal case is so great as to render the former of little value in support of the latter. A railroad company has the exclusive use of its right of way; the grantor is prohibited from using it for any purposes whatever. It is fenced in; and in a line of telegraph poles constructed along the right of way could in no way interfere with any rights remaining in the grantor. The